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TAGS: [PREL](#) [ECON](#) [KCRT](#) [SU](#)

SUBJECT: SO. SUDAN: SOUTH'S MINISTRY OF FINANCE WRACKED BY
CORRUPTION CHARGES

REF: A. KHARTOUM 00039

[1](#)B. 06 KHARTOUM 02636

Classified By: P/E Chief E. Whitaker, Reason: Section 1.4 (b) and (d)

[1](#)1. (C) Summary: The troubled finance ministry in the Government of Southern Sudan (GOSS) has been hit by new allegations of corruption. The latest dispute concerns \$60 million in interim payments from Khartoum to the Sudan People's Liberation Movement (SPLM), most of which the SPLM believes was diverted into unauthorized bank accounts. There is wide speculation in Juba that the finance minister may be sacked. End summary.

Trying to Account for \$60 Million

[1](#)2. (C) The latest scandal to hit the troubled Ministry of Finance and Economic Planning concerns \$60 million in cash transferred from the Khartoum government after the signing of the Comprehensive Peace Agreement (CPA) in January 2005. It is not clear who received the funds, or what expenses they were intended to cover.

[1](#)3. (C) In a speech in Juba marking the second anniversary of the CPA on January 9 (Ref A), Sudanese president Omer al-Bashir lashed out at the SPLM, saying the money should have been used to bring home exiled Southern Sudanese and staff up various CPA committees. Nonsense, replied SPLM's Deputy Secretary General for the North Yassir Arman at a press conference two weeks later. As quoted in the English-language Khartoum Monitor, Arman said the money "was given to the SPLM for the establishment of institutions in preparation for the formation of the Government of Southern Sudan and to enable the SPLM to transform itself from an armed movement to a political party." SPLM Secretary General Pagan Amum echoed this account in a discussion with ConGen January 31.

[1](#)4. (C) Amum went further, however, and accused finance minister Arthur Akuien Chol of attempting to shift \$30 million of the funds to a Nairobi bank account set up in the SPLM's name, but without the SPLM's authorization. The SPLM stopped the transfer last December, Amum claimed, and on January 11 he met with Akuien to demand an explanation. Summoned by the SPLM parliamentary caucus to account for the funds, Akuien failed to appear. Amum also claims that GOSS President Salva Kiir gave Akuien two weeks to account for money. Since then, Akuien has been "dodging" the president and party officials, Amum said. "That's when I decided to spill the milk" by making charges against Akuien public, Amum said.

Troubled Record

¶5. (C) The alleged misuse of \$60 million comes on the heels of another scandal involving an alleged \$4.5 million overpayment for 100 GOSS vehicles (Ref B). Finance minister Akuien attempted to fire five top officials in his ministry last October over the vehicle scandal and separate allegations of fraudulent waiver of customs duties. GOSS President Kiir intervened, however, saying the officials could not be fired without a proper investigation.

¶6. (C) According to Amum, the investigation has concluded that all but one of the officials was culpable. The investigation also showed that the problems were "linked to the minister."

Minister on the Chopping Block

¶7. (C) Finance Minister Akuien, a stalwart of the liberation struggle, gets low marks from many interlocutors for technical competence -- though he managed to shepherd a \$1.4 billion budget for 2007 through a surprisingly contentious debate in the Southern Sudan Legislative Assembly to final approval on January 29. One MP told us Akuien fumbled many of the legislators' questions during the budget debate, prompting one to ask why he remained in office while all his subordinates were gone for malfeasance. The ethics charges now plaguing Akuien have fueled growing speculation in the press that he will be sacked. In any case, Akuien figures prominently in recurrent rumors in Juba of an imminent cabinet reshuffle.

POWERS